

EXHIBIT 3

Redacted



Home Loans

P O BOX 961206
FORT WORTH, TX 76161-0206

Notice Date: APRIL 11, 2011

007991 - 020881
DAVID HOLMES
305 GOLF RD
WEST PALM BEACH, FL 33407-5509

Bank of America Account No.:
Redacted

Property Address:
305 GOLF RD
WEST PALM BEACH FL 33407

IMPORTANT MESSAGE ABOUT YOUR LOAN

We recently discovered that the hazard (homeowner's) policy furnished to us does not include windstorm, hurricane and hail coverage for the above referenced loan. According to your loan agreement, acceptable coverage must be maintained on your home at all times. To avoid further action from BAC Home Loans Servicing, LP, a subsidiary of Bank of America, N.A. ("BAC Home Loans"), we must receive evidence of insurance within 30 days of this notice providing coverage effective 10/12/2010.

Please note that a windstorm, hurricane or hail coverage exclusion from our hazard (homeowner's) insurance is acceptable if the excluded coverage is insured by a state insurance plan, such as a windstorm, hurricane, or hail pool. Your insurance agent will be able to explain your options available through state and federal coverage programs.

If proof of acceptable coverage is not received within 30 days of this notice, BAC Home Loans will purchase the required windstorm, hurricane and hail insurance (Lender-Placed Insurance) coverage at your expense and charge you for the cost of the insurance. The approximate cost of the Lender-Placed Insurance will be \$872.25, if purchased. The coverage period will be effective from 10/12/2010 until 10/12/2011.

WHAT YOU NEED TO DO

We offer several options to update your insurance:

- You may **fax** a copy of your homeowner's insurance declaration page with your loan number to: 1.866.595.1429;
- You may **call** the customer service automated system at 1.866.908.3954;
- Or you can **mail** a copy of your windstorm, hurricane and hail declaration page with your loan number to the return address above.

Please note, if you live in a condominium complex insured under a master policy issued to your condominium association, using the mailing instructions shown above, please send to us evidence of insurance from the association's master policy demonstrating proof of adequate windstorm, hurricane and hail insurance coverage.

PURCHASING LENDER-PLACED INSURANCE

If we purchase Lender-Placed Insurance coverage, the charges for this insurance, and any state imposed fees, would be paid from your account and your available line of credit will be decreased accordingly. If you have any scheduled monthly disbursements, the number or amount of future disbursements may be decreased to cover this payment.

Additional items to consider include:

- This insurance will provide less coverage than was previously in effect.
- This insurance may be more expensive than your previous coverage.
- If purchased, it is estimated that your windstorm, hurricane and hail coverage amount would be \$24,966.00.

RE: DAVID HOLMES
Loan Number: **Redacted**

- The coverage amount for Lender-Placed Insurance is based on the replacement value, which we believe is the last known amount of hazard coverage you purchased, and if we do not have that information, it is based on your original principal limit.
- This insurance provides no coverage for: loss or damage to personal property for which you may be liable, additional living expenses, or flood.
- This insurance may not be sufficient to fully restore or repair your property to its previous condition, and may **not** protect any equity that you may have built up on your property.
- This insurance may have other restrictions, exclusions and limitations specifically described in the coverage we acquire.
- In the event of a claim, all payments under this coverage will be made to BAC Home Loans, except amounts in excess of BAC Home Loans' interest which will be forwarded to you.
- Should your property become vacant, the insurance cost will increase and the amount billed to you will increase respectively.

ADDITIONAL INFORMATION

Additional information regarding the requirements of the hazard (including windstorm, hurricane and hail) insurance may also be found in your loan documents. Lender-Placed Wind Insurance may be purchased by us through agencies that are affiliates of Bank of America, N.A.. Bank of America, N.A. and its affiliates may receive a commission or other compensation in connection with obtaining this coverage.

If you disagree with the coverage amount that we intend to obtain as set forth above, please provide us with a written estimate of insurable value from an insurance company of your choosing that meets our criteria as set forth in the insurance requirements attached to this letter.

THANK YOU FOR YOUR BUSINESS

We appreciate the opportunity to service your home loan and we look forward to resolving this matter quickly.

**BAC HOME LOANS CUSTOMERS
HAZARD INSURANCE REQUIREMENTS**

In order to protect the property, BAC Home Loans requires that you maintain hazard insurance. At a minimum, your insurance must be a fire and extended coverage policy. The insurance must not limit or exclude from coverage (in whole or in part) damage from windstorm, hurricane, hail, or any other perils that are a part of the extended coverage endorsement. Insurance coverage must be on a replacement cost basis, where available, and be in an amount at least equal to the lower of: 1) 100% of the insurable value of the improvements as established by the property insurer; or 2) the original principal limit of the loan. Notwithstanding the foregoing, if the original principal limit is less than 80% of the insurable value of the improvements, the coverage amount must be at least 80% of the insurable value. Loss of Rent coverage is required for non-owner-occupied properties. For coverage amounts of \$252,700 or less, the maximum deductible is the higher of \$1,000 or 1% of the policy's dwelling coverage. For coverage amounts greater than \$252,700, the maximum deductible is the higher of \$2,500 or 1% of the policy's dwelling coverage.

The insurance policy must be issued by an insurance company acceptable to BAC Home Loans and licensed, or otherwise authorized by law, to conduct business in the jurisdiction in which the property is located. Your policy must be written by an insurance company with either an A.M. Best's Rating of "B" or an A.M. Best's Financial Performance Rating of "VI" or better. The named insured on the policy must be the same as the mortgagor/trustor/grantor on your security instrument, or current owner if there has been a loan assumption. The policy must include a Lender's Loss Payable Endorsement or standard mortgagee/loss payee clause in favor of BAC Home Loans Servicing, LP and its successors and assigns.

To help us maintain accurate records on your loan account, your loan number must be included on all policies, billings (if you have an escrow account), and correspondence with your insurer or insurance agent. You may provide us with: an original policy; a certified copy of an original policy; a certificate of insurance; a binder (only for coverage of less than \$1,000,000) that complies with state law requirements; and for a non-escrowed loan, a paid receipt of premium paid for a 12-month policy term (6-month term in Florida only), or continuous coverage indicated in lieu of expiration date with 6 months prepaid.

Due to changes in federal or state laws or regulations, BAC Home Loans may modify its insurance requirements to include additional types or amounts of coverage. If BAC Home Loans makes a change, we will notify you so that you may purchase the required coverage.

If we do not receive proof of insurance, or a bill to enable us to pay your policy premium if you have a set aside in escrowed loan account, BAC Home Loans may obtain insurance to protect the property at your expense. The charges for this insurance, and any state imposed fees, would be paid right from your account and your available line of credit will be decreased accordingly. If you have any scheduled monthly disbursements, the number or amount of future disbursements may be decreased to cover this payment. The cost of insurance we purchase to protect the property will become an additional obligation secured by your security instrument. The coverage we purchase will insure for damage to your dwelling, but not its contents. It will be different than your current policy, will in most cases be more expensive, may have higher deductibles, and will not protect you from risks typically included in a homeowners policy. For example, it will not cover loss, damage or theft to personal property; or injuries to persons or property for which you may be liable. It also does not cover worker's compensation or damage due to flood or earthquake. Our lender-placed coverage may not be enough to fully replace or repair your property in the event of damage or destruction. This insurance may **not** protect any equity that you have built up on your property.

WE URGE YOU TO REPLACE ANY LENDER-PLACED INSURANCE WITH YOUR PREFERRED POLICY, WHICH WILL PROBABLY BE LESS EXPENSIVE FOR YOU AND PROVIDE BROADER PROTECTION. If BAC Home Loans receives a replacement policy that complies with our insurance requirements, we will cancel our lender-placed coverage effective the date that your preferred policy takes effect. If there is a lapse in coverage between your new preferred policy and the coverage you or we had obtained before, you will be charged a prorated premium and state-imposed fee (if any) for the period that no borrower-placed coverage was in place. If you provide us with proof that you had adequate insurance on your property as of the date our lender-placed coverage was effective, (i.e., no lapse in coverage) and that you continue to have the insurance that you purchased yourself, you will not be charged any premium, costs, interest or other charges in connection with lender-placed insurance.

If you would like more detail about these requirements, please contact our Customer Service Department at 1.866.908.3954, Monday through Friday, 8:00 a.m. to 9:00 p.m. Eastern Standard Time. If your property is in a special flood hazard area, you must provide evidence of adequate flood insurance that meets our flood insurance requirements.